

Conditional auction sales – A guide for buyers

These informal auctions are a hybrid, in fact part auction, part private treaty.

As with a “ballroom” auction, properties are usually able to be viewed in the run up to the online auction.

Legal packs are available for inspection prior to the auction bidding going “live”.

Once the bidding window has opened, no changes will be made to the legal pack.

We always recommend that prospective buyers ask a legal representative to check the legal pack on their behalf prior to bidding.

In order to bid, prospective buyers must register on the online portal, creating a username and password as well as uploading documentation to comply with money laundering legislation.

Having registered and “watched” a property, prospective buyers will be contacted and asked to provide debit card details so that a pre-authorisation for the reservation fee can be secured in advance of them bidding.

Once the registration process has been completed and pre-authorisation of reservation fee concluded, the buyer is now able to bid.

Although a property may be advertised for some weeks in advance of the sale, the “bidding window” is only open around 48 hours prior to the close of bidding.

When the bidding stops, (assuming the reserve has been met), the highest bidder secures the property.

The buyer is then contractually obliged to immediately pay a reservation fee of 3% of the purchase price (subject to a minimum of £3,000), both inclusive of VAT. This reservation fee **does not** form part of the purchase price.

Reservation fees are paid by the auctioneers taking the money from the debit card that had been pre-authorised in advance of the sale.

Completion is usually set for 56 days after the auction but will be confirmed in the legal pack.

Following the auction, the auctioneer’s will forward a memorandum of sale to all parties and their respective solicitors in preparation for any financial matters to be completed and other matters prior to exchange and completion.